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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JULY 16, 2002

COMMONWEALTH OF VIRGINIA

at the relation of the

STATE CORPORATION COMMISSION

CASE NO. PUE-2001-00306

Ex Parte: In the matter of considering
Requirements relating to wires charges
Pursuant to the Virginia Electric Utility
Restructuring Act.

ORDER ESTABLISHING PROCEEDING

On November 19, 2001, the State Corporation Commission ("Commission") entered an Order ("November 19, 2001 Order") in this docket establishing generation market price methodologies for purposes of establishing wires charges for Dominion Virginia Power ("DVP" or "company"), and Appalachian Power Company, d/b/a/ American Electric Power ("AEP" or "company"). Subsequently, on May 24, 2002, the Commission also entered an order establishing wires charge methodologies for Virginia's electric distribution cooperatives,¹ ("Cooperatives").²

¹ A&N Electric Cooperative, BARC Electric Cooperative, Central Virginia Electric Cooperative, Community Electric Cooperative, Craig-Botetourt Electric Cooperative, Mecklenburg Electric Cooperative, Northern Neck Electric Cooperative, Inc., Northern Virginia Electric Cooperative, Powell Valley Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Southside Electric Cooperative, Inc.

The November 19, 2001 Order, *inter alia*, directed in Ordering Paragraph (5) thereof, that incumbent electric utilities seeking to impose wires charges in calendar year 2003 and beyond make annual filings by July 1 of each year for any proposed revisions in their fuel factor, "and corresponding changes in capped rates, and for market price proposals." Ordering Paragraph six (6) of that Order kept this docket open for consideration of other matters concerning market price determinations and wires charges, as they may arise.

On July 1, 2002, DVP and AEP both caused to be filed in this docket, their proposals for revisions to market prices for generation and resulting wires charges for calendar year 2003. The Cooperatives also made a filing in this docket on July 1, 2002, addressing market price methodologies for purposes of calculating market prices and resulting wires charges pursuant to § 56-583 of the Virginia Electric Utility Restructuring Act ("Restructuring Act").

NOW THE COMMISSION, is of the opinion that in keeping with the provisions of our November 19, 2001, Order in this matter, and in furtherance of carrying out our responsibilities under the Restructuring Act, a procedural schedule and hearing date should be established for purposes of determining market prices

² In this Order, we will refer to DVP, AEP and the Cooperatives, collectively, as "the companies." The term "each company" within the Ordering Paragraphs herein shall also include in its meaning the Cooperatives.

in conjunction with establishing wires charges for incumbent utilities in calendar year 2003.

Accordingly, IT IS ORDERED THAT:

(1) The proceeding for determining market prices in conjunction with establishing wires charges for incumbent utilities in calendar year 2003 shall be made part of this docket, and all papers and documents relating thereto shall be filed therein.

(2) A public hearing concerning this matter shall be held on September 4, 2002, at 10:00 a.m. in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. The Commission will receive comments from members of the public as well as evidence on the companies' applications relative thereto. Any person not participating as a respondent as provided in Ordering Paragraph (3) below, may give oral testimony concerning the application as a public witness at the September 4, 2002, public hearing. Public witnesses desiring to make statements at the public hearing concerning this application need only appear in the Commission's second floor courtroom in the Tyler Building at the address set forth above prior to 10:00 a.m. on the day of the hearing and sign up to speak.

(3) On or before July 31, 2002, any person desiring to participate in this proceeding as a respondent shall file with

the Clerk of the Commission (First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia), an original and fifteen (15) copies of a notice of participation as a respondent, as required by the Commission's Rules of Practice and Procedure, 5 VAC 5-20-80 B, *Participation as a respondent*, and shall serve a copy on (i) counsel to DVP, Pamela J. Walker, Esquire, and Karen L. Bell, Esquire, Dominion Resources Services, 120 Tredegar Street, Richmond, Virginia 23219, (ii) counsel to AEP, Anthony J. Gambardella, Esquire, 823 East Main Street, Suite 1200, Richmond, Virginia 23219, and (iii) counsel to the Cooperatives, John A. Pirko, Esquire, LeClair Ryan, PC, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060. The notice of participation shall be filed and served as required by the Commission's Rules of Practice and Procedure, 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*. Any organization, corporation, or government entity participating as a respondent must be represented by counsel as required by the Commission's Rules of Practice and Procedure, 5 VAC 5-20-30, *Counsel*.

(4) Within five (5) business days of receipt of a notice of participation as a respondent, each company shall serve upon each respondent a copy of this Order, a copy of its application, herein and all materials filed with the Commission, unless these materials have already been provided to the respondent.

(5) On or before August 7, 2002, each respondent may file with the Clerk of the Commission, at the address given in Ordering Paragraph (3), an original and fifteen (15) copies of any testimony and exhibits by which it expects to establish its case and shall serve copies of the testimony and exhibits on counsel to the companies and on all other parties. The respondent shall comply with the Commission's Rules of Practice and Procedure, 5 VAC 5-20-140, *Filing and service*, 5 VAC 5-20-150, *Copies and format*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*.

(6) The Commission Staff shall investigate the companies' applications and, on or before August 21, 2002, shall file with the Clerk of the Commission an original and fifteen (15) copies of all prepared testimony and exhibits the Staff intends to present at the hearing. The Staff shall contemporaneously serve copies of such testimony and exhibits on the companies and respondents in this matter.

(7) On or before August 28, 2002, each company shall file with the Clerk of the Commission an original and fifteen (15) copies of any testimony and exhibits that each such company expects to offer in rebuttal to direct testimony and exhibits of the Commission Staff and respondents.

(8) The Commission's Rules of Practice and Procedure, 5 VAC 5-20-260, *Interrogatories to parties or requests for*

production of documents and things, shall be modified for this proceeding as follows: the Applicant and respondents shall respond to written interrogatories or data requests within five (5) calendar days after the receipt of such requests. Except as so modified herein, discovery and hearing preparation procedures shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.

(9) On or before July 31, 2002, each company shall serve a copy of this Order on the Chairman of the Board of Supervisors of each county (or equivalent officials in counties having alternate forms of government) in which each company offers service, and on the Attorney and Mayor or Manager of every city and town (or equivalent officials of cities and towns having alternate forms of government in which each company offers service). Service shall be made by first-class mail or delivery to the customary place of business or residence of the person served.

(10) On or before August 28, 2002, each company shall file with the Clerk proof of service required by Ordering Paragraph (9).